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CENTRAL INTELLIGENCE GROUP

LINGUISENCE REPORT

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COUNTRY	Austria	DATE:	25X1X		
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The Soviets at present control the greater part of the Austrian electrical industry. The breakdown of electrical manufactures in the Soviet and Western Zones is approximately as follows:

High tension or heavy current industry (Starkstrom) 705 30%
Low tension or weak current industry (Schwachstrom) 804 20%
Telephone industry 30%

In the first two categories, the predominant manufacturers are Siemens-Schuckert, AEG Union, Elin A.G., and Brown-Boweri, all of which have factories under USIVA administration. Elin, in the British Zone, is the largest non-Soviet producer of electrical goods in these two categories. In the telephone industry, the Vereinigte Telefon- und Telegrafenwerke A.G., Siemens-Halske, Schrack-Ericsson, and Kapsch und Sohn - all located in non-Soviet territory - are the largest producers.

Comment: Since individual plants lie in the wastern wones, outside the Soviet aphere, it is often difficult to make an elect division by zone because the main offices for most of these plants are situated in Vienna, and these control the purchase of materials, rates of projection, construction plans, etc. Furthermore, the channels of communication between the parent and branch factories pass through the Soviet Zone, which exposes, at least indirectly, the productivity and the actual production of the outlying plants to Soviet influence.

Production of Electric Motors

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3. In 1937, the last normal production year in Austria, the four largest electrical manufacturers were operating at capacity on the production of integral horsepower motors (those of 1 horsepower or over). Fractional horsepower motors (those under 1 horsepower) were produced primarily in the Siemens Kleinmotoren Tarke in Berlin.

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In 1937, Siemens produced an annual average of about 10,000 integral norseponer motors; AEG Union, about 20,000; and Drown-Boveri, which turned out mainly nuch large electrical installations as turbines, penerators, transformers, etc., manufactured a total of about 10,000 piaces of all types each year. The chart below shows the present capacity and the actual production figures of these three companies.

	Monthly	s-Schuckert Actual Production	AEC Unithornal Accounting A	ctual		Actual
Fractional hp motors	0	0	3	250	o	0
Integral hp motors 1-5 hp	ca - 1600	900-1000	ca. 1650	300	fluctuating	200 (7)
over 5 hp	ca. 850	200-300	ALM A MAYOR	50	only large installations	; ?

Thus, of the approximately 2,000 electric notors now being manufactured monthly under Soviet control, Siemens-Schuckert makes about 1200, and the remaining 800 are produced by AEG Union and Brown-Boveri. Supplementary information obtained on 11 October sets the September production of integral horsepower motors in Soviet-administered plants at: Siemens + 1296; AEG - 400; Brown-Boveri - 300.

In order to compete with Soviet-controlled manufacture of fractional horsepower motors, there has been instituted for the electrical industry a new production plan, whereby AEG will begin turning out fractional horsepower motors as soon as the necessary machinery can be installed in its non-Soviet plants. The Siemens plant in Salzburg, which was to have made these motors, will now be devoted to the production of integral horsepower motors of from 1 to 4 hp. The precise number of large electrical installations manufactured by Brown-Boveri is difficult to ascertain because the production of these items sometimes takes several months, and, since most of them are made to customer specifications, they are usually manufactured individually rather than on a mass production basis. In view, 25X1A however, of the fact that the Soviets ancounter great difficulties in obtaining raw materials for heavy electrical goods, it is questionable that Brown-Boveri output in this category will reach any significant proportions, even though the 25X1 capacity for such production exists in its plants.

Wire and Cable

6. In the Austrian electrical industry the term "cable" is applied only to heavy, sheathed cables designed to be laid underground (Erdkabel). At present, despite Soviet efforts to purchase copper abread, there is scarcely any of this cable being produced, became of the difficulty in obtaining raw materials. The principal wire and cable manufacturing firms in Austria under Soviet administration (Wiener Kabel- und Metallwerke; Ariadne Draht- und Kabelwerke; Draht und Kabel Sichtermann A.G.; Felten & Guilleaume) report a monthly production at present of 200 km of conducting wire (Stromleitung). It is the consensus in the electrical 25X1 industry that this is only a partial report of what is actually produced in these Cactories. Austrian electrical experts estimate, that the Soviet-administered firms produce 60% of the entire Austrian output of wire and heavy cable, while firms in Styria account for the remaining 40%.

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Corrent: A recent survey has shown that of the estimated 4,400 tons of wire and cable produced annually by the Austrian electrical industry, only 500 tons, or about 11%, core from plants in the western somes, and a total of only approximately 700 tons entered legal Austrian concumption channels)

Other Electrical Froducts

- 7. In 1977, about 100 transformers were produced in Austria yearly; there is now no production at all, succept for valding transformers, the canufacture of which is controlled entirely by the Soviets. Elin and Siemens-Schuckert, the only plants now producing these items, have reduced their output of wolding transformers to 20% of the 1937 level.
- The Sovicts, through Osram and the Allgemeine Glublangenfabrik, control only approximately 40% of Austria's output of electric light bulbs. Through the USIVA monopoly on the production of class envelopes used in bulb fabrication, however, other Austrian incandescent lemp firms have been forced either to sell their output to Osram for distribution or to look abroad for other sources of surely.

 Comment: East of the non-USIVA light bulb producers refused to allow themselves thus to become uttorly dependent on the USIVA bulb nanufacturers and have been relying recently on reserve stocks of glass envelopes, awaiting the outcome of negotiations with Italian firms for the import of theses articles. These negotiations, carried on with the help of the Austrian Government, have now been completed, and it has been learned that deliveries of Italian class envelopes have already begun)

Procurement of Ray Materials

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- the deplorable shorters of raw ratorials for the electrical industry and says that the Soviets do obtain for USIVA enterprises comes from the Soviet Zore, from barter agreements with Czechoslovakia, or from the western zones of Austria through Austrian middlemen buying for USIVA. In order to establish themselves as favored customers of the sumplying firms, these middlemen are authorized to may expristant prices for materials obtained in the mestern zones.
- Arong the rost critical items needed by the USIVA enterprises for electrical name facture are a certain type of three (Rotlackdraht) for winding notor armstures, wound cited silk and cited linon inculation materials, which must be imported from western Europe and raid for in foreign currencies, and ball bearings now being imported from Oteyr.

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